



DAUPHIN COUNTY BOARD OF COMMISSIONERS

WORKSHOP MEETING

OCTOBER 31, 2007

10:00 A.M.

MEMBERS PRESENT

Jeff Haste, Chairman
Dominic D. DiFrancesco, II, Vice Chairman
George P. Hartwick, III, Secretary

STAFF PRESENT

Chad Saylor, Chief Clerk; Marie E. Rebeck, Controller; Robert F. Dick, Treasurer; Gary Serhan, Deputy Controller; William Tully, Esq., Solicitor's Office; Mike Yohe, Director of Budget & Finance; William Struemke, Solicitor's Office; Kay Lengle, Personnel; Leila McAdoo, Solicitor's Office; Amy Richards, Commissioners' Office; Diane McNaughton, Commissioners' Office; Jena Wolgemuth, Commissioners' Office; Brenda Hoffer, Commissioners' Office; Edgar Cohen, Director of Facilities Maintenance; Randy Baratucci, Director of Purchasing; Greg Schneider, Budget & Finance; Guy Beneventano, Esq., Solicitor's Office; Scott Burford, Deputy Chief Clerk; Dan Robinson, Director of Community & Economic Development and Richie-Ann Martz, Assistant Chief Clerk

GUESTS PRESENT

C. Peter Carlucci, Esq., Garry Lenton, Rev. & Mrs. Alvin Taylor, Brad Jones, Virginia Burd, James Ellison and Caitlin Smith

MINUTES

CALL TO ORDER

Mr. Haste, Chairman of the Board, called the meeting to order at 10:00 a.m.

MOMENT OF SILENCE

Everyone observed a moment of silence.

PLEDGE OF ALLEGIANCE

Everyone stood for the Pledge of Allegiance.

APPROVAL OF MINUTES

Mr. Haste: We have the October 10, 2007 Legislative Meeting Minutes, the October 17, 2007 Workshop Meeting Minutes and the October 24, 2007 Legislative Meeting Minutes that we will take up at next week's meeting. We also have the October 10, 2007 and the October 24, 2007 Salary Board Meeting Minutes that we will take up at next week's Legislative Meeting.

PUBLIC PARTICIPATION

Mr. Haste: We are at the point in time for public participation. Is there anyone in the audience that would like to address the Board at this time? (There was none.)

DEPARTMENT DIRECTORS/GUESTS

A. C. Peter Carlucci, Jr., Esq., Eckert Seamans

- 1. Ordinance #3-2007 – County Guaranty for Financing of D.J. Wenner's Office. (**A VOTE IS REQUESTED 10/31/07**)**

Mr. Carlucci: I'm here on behalf of the Dauphin County Industrial Development Authority, working with the County as part of our continuation of acquiring offices to house the district judges. As part of that, we are in the process of acquiring a facility for District Justice Wenner. We have solicited proposals from various banks. We have received several proposals. The summary has been shared with Mike Yohe and with members of the Authority Board. Based upon the responses that were received and in keeping with the past actions of the IDA and your Board, it is recommended that we proceed with a Commerce Bank loan that has a term of 20 years with a tax free interest rate of 4.89%. There is no prepayment penalty, which reserves flexibility for the future in the event that interest rates should become more competitive. Other fixed rate proposals that were received for a 20-year term came from Centric Bank at 5.7%. There was a more competitive rate from Wachovia Bank at 4.8%, however, they had a prepayment penalty provision, which would have limited the flexibility to do any refinancings in the event that the interest rate market improves. We also had received proposals from banks for 15-year terms, however, based upon the presumption that it is in the interest of the County to maintain the lowest possible cash flow requirement with respect to the loan, it has been recommended that you proceed with a 20-year proposal. Of course the Ordinance that is before you is a combination of a Guaranty with respect to this loan, as well as approval of a Lease arrangement between the IDA,

as the Landlord, and the County, as the Tenant with respect to District Justice Wenner's Office.

Mr. Haste: Just for the public, Bill Wenner's Office was I believe rated as the top office that needed to be relocated in non-compliance with the AOPC. The goal that we put in place was instead of having the County continue to lease offices for everyone that we would work with the IDA to where we would lease them until it's paid off and at that point in time ownership of the building would transfer to the County. So, what we are really doing is looking for 20 years out to minimize the payment to the County's budget and taxpayers. We appreciate the IDA working with us on that. I know Bill will think he moved to a different planet when he moves from his old office to this office.

Mr. Hartwick: I just have a question related to how you communicate the opportunity to bid on this project to the area banks. Could you give me an understanding of the process?

Mr. Carlucci: We prepare a written request for proposals, which we then distribute to the local banks. Commissioner, I think that there were, on our list, a total of 10 banks. We also include copies of the County's latest financial statements with a brief explanation as to the intent of the borrowing. Based upon those requests they respond. We gave them about two weeks to evaluate, prepare and submit responses.

Mr. Hartwick: How many responded out of the ten banks?

Mr. Carlucci: Out of the ten banks, we had seven banks respond.

Mr. Hartwick: With the exception of Wachovia Bank, which gave a lower interest rate, the best rate was the Commerce Bank, which was...

Mr. Carlucci: For a fixed rate for a full 20-year term. We did proposals that offered fixed rates for shorter periods of time with a subsequent reset based upon prime rate in some instances and in other instances based upon the LIBOR rate. After having discussions with the members of the Board of the IDA, it is their belief that long term interest rates are probably very competitive right now and it made a lot of sense to lock in a fixed rate for the full 20-year term. It also facilitates budgeting for County purposes as well.

Mr. Hartwick: I agree and the only reason I'm asking a couple questions, usually you fill out a nice spreadsheet for us so we can take a look at how the players lined up as it relates to the RFP.

Mr. Carlucci: I'll be happy to furnish you with one.

Mr. Hartwick: I would appreciate that.

It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick that the Board adopt Ordinance #3-2007, captioned as follows; motion carried.

AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF DAUPHIN, PENNSYLVANIA DETERMINING TO INCUR DEBT IN THE AMOUNT NOT TO EXCEED \$900,000; DETERMINING THAT SUCH DEBT SHALL BE INCURRED AS LEASE RENTAL DEBT TO BE EVIDENCED BY A GUARANTEED LEASE REVENUE NOTE, TO BE AUTHORIZED AND TO BE ISSUED BY DAUPHIN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY; BRIEFLY DESCRIBING THE PROJECT FOR WHICH SAID DEBT IS TO BE INCURRED AND SPECIFYING THE REALISTIC USEFUL LIFE OF SAID PROJECT; AUTHORIZING AND DIRECTING PROPER OFFICERS OF THE COUNTY TO EXECUTE, ATTEST, SEAL AND DELIVER, AS APPROPRIATE, (I) AN AGREEMENT OF LEASE, BETWEEN SAID AUTHORITY, AS LESSOR, AND THE COUNTY, AS LESSEE, AND (II) A GUARANTY AGREEMENT WITH RESPECT TO AFORESAID GUARANTEED LEASE REVENUE NOTE; APPROVING THE FORMS OF SAID AGREEMENT OF LEASE AND SAID GUARANTY AGREEMENT; AUTHORIZING AND DIRECTING THE CHAIRMAN OR VICE CHAIRMAN OF THE BOARD OF COMMISSIONERS AND THE CHIEF CLERK OF THE COUNTY TO PREPARE, VERIFY AND FILE, AS APPLICABLE, THE DEBT STATEMENT, THE BORROWING BASE CERTIFICATE TO BE APPENDED TO THE DEBT STATEMENT, AND OTHER APPROPRIATE DOCUMENTS REQUIRED BY THE LOCAL GOVERNMENT UNIT DEBT ACT, 53 Pa. C.S. § 8001 ET SEQ.; SPECIFYING THE MAXIMUM LEASE RENTALS TO BE PAID BY THE COUNTY PURSUANT TO SAID AGREEMENT OF LEASE; GUARANTEEING PAYMENT OF THE PRINCIPAL OF AND INTEREST ON AFORESAID GUARANTEED LEASE REVENUE NOTE AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO; SPECIFYING THE MAXIMUM AMOUNT OF THE GUARANTY OBLIGATIONS OF THE COUNTY PURSUANT TO SUCH GUARANTY AGREEMENT; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE COUNTY WITH RESPECT TO THE GUARANTY AGREEMENT; AUTHORIZING PROPER OFFICERS OF THE COUNTY TO EXECUTE ALL REQUIRED, NECESSARY OR DESIRABLE CERTIFICATES AND DOCUMENTS IN CONNECTION WITH SAID LEASE RENTAL DEBT AND THE PROJECT; AUTHORIZING PROPER OFFICERS OF THE COUNTY TO TAKE ALL OTHER REQUIRED, NECESSARY OR DESIRABLE ACTION IN CONNECTION WITH SUCH PROJECT AND THE EXECUTION, DELIVERY OR ACCEPTANCE OF SAID AGREEMENT OF LEASE AND SAID GUARANTY AGREEMENT; PROVIDING FOR THE EFFECTIVENESS OF THIS ORDINANCE; PROVIDING FOR THE SEVERABILITY OF PROVISIONS OF THIS ORDINANCE; AND PROVIDING FOR THE REPEAL OF ALL INCONSISTENT ORDINANCES OR RESOLUTIONS OR PARTS OF ORDINANCES OR RESOLUTIONS.

B. Brad Jones of Harristown Development

1. Gift of Appreciation for work on the Dewberry Site

Mr. Jones: Happy Halloween, Commissioners! We come with no tricks, just treats. I would like to introduce my colleague, Virginia Burd, who is our International House Manager. We are here very simply just to thank you on behalf of all the hard work and support that you all have provided as a Board of Commissioners for the development of International House and more recently of the International Place Neighborhood with regard to the Streetscape Improvements that are going on at Dewberry Street and Blackberry Street, which are almost completed; and also the development of the Messiah College Harrisburg Institute. Your support as a conduit for financing through DCED and through your continued profiling and showcasing of this neighborhood has really helped us with all these developments. We are here today just to let you know that we are celebrating our five year anniversary as International House. We have welcomed over 500 students from 50 different countries, five continents all over the planet. We are just excited that we are continuing to grow this neighborhood.

International House was sort of the start of the development of this neighborhood and now it is spawning other projects like Dewberry Streetscape Project and the Messiah College Harrisburg Institute. You have been there from the beginning with us. Today, we would like to present you with a picture of the International House Complexes, which sit at both 29 S. Third and 318-320 Chestnut Street. Also, in keeping with our promotion of International festival style events, we recently held an Octoberfest, a traditional German Octoberfest in the street last weekend. We have a little token from that event that we hope you can use at a time that is appropriate.

Mr. Haste: Did Chad behave?

Mr. Jones: Chad's behavior was outstanding. He also had a very clever German hat.

Mr. Hartwick: I believe the hat part, but not the behavior part.

Mr. Haste: The students are in Messiah right now.

Mr. Jones: We have 25 students.

Mr. Haste: I saw them the other day and that was the first time I saw activity like that. It was nice to see.

Mr. Jones: We now have over 100 students in that neighborhood, between International House and Messiah College. Just the synergy is fantastic.

Ms. Burd: There is a Halloween Party tonight.

Mr. Haste: Chad, can you wear your hat again?

Mr. Saylor: It is not for Halloween.

Mr. DiFrancesco: I just want to thank you also for your commitment to that portion of Harrisburg that was not seeing a lot of light. Now, it is a very vibrant area with new life. It probably is one of the best quarters to market where new people are coming in and staying at least for some period of time and hopefully permanently. I don't know what your success rate has been.

Mr. Jones: We have numerous examples of students who come here, experience how exciting this City is and found jobs here, made contacts, they love the City and they love being footsteps away from all the assets of downtown. It has been a wonderful experience.

Mr. DiFrancesco: Thank you for everything you guys do.

(Pictures were taken.)

C. Mike Yohe, Director of Budget & Finance

1. Presentation on the 2008 General Fund Budget

Mr. Yohe: I'm here this morning just to give a little update of where we are at in the 2008 Budget process. As you are aware this started back in July with the distribution of the budget packages to all the department heads. They came back to my office in late August. Over August and September I will meet with all 45 department heads and review their requests and get ready for the public hearings. The public hearings were held last week, on October 22-24, 2008. When I received all the packets back in August 07, it was a pretty good wish list this year. There are quite a few new positions and equipment, the budget is about \$139 million. After the public hearings, we went over all the department heads' requests. I don't have the final numbers. Like I said this is a very preliminary report here. I'm estimating in about three weeks, on the 21st when we present the budget, it will probably come in at about \$137 million. We were successful in reducing the initial wish list requests by a couple million dollars. Actually I think it will be under \$137 million when it is all said and done. The new budget, even with the \$137 million figure will include some new positions, not nearly the request that we had started with, but there will be some new positions in the Prison, Work Release, Sheriff, Juvenile Probation and several other departments. It will also contain funding to continue our capital improvements. It will enable us to continue the upgrades of HVAC systems at the Courthouse and Schaffner Center. We will do some roof replacement work at the Prison, and as Pete Carlucci just went over briefly the renovation and construction of some new DJ offices. All these projects are going to be included in the budget. I guess I want to highlight the main thing here is that there will be no tax increase needed for 2008. Our estimates are pretty good in that regard. We shouldn't need a TRAN for 2008. The cash flow is very good. When we started this project last year at this time, when we approved the 2007 Budget my fund balance estimate for the General Fund was approximately \$32 million at the end of 2008. Again, these are preliminary numbers, but I think with a \$137 million General Fund budget, we should come in with a balance at the end of next year of about \$36 million. We are actually about \$4 million ahead of what we were last year at this point. Briefly, next year continues to look pretty good. The budget is going to go up next year. Fortunately, 2006 was a good year and 2007 is projecting to be a good year. Even with an increase in our expenses for next year we are still ahead of where we thought we were going to be last year at this time. I don't have anything else. I'm here to answer any questions that you might have.

Mr. Hartwick: Just a comment. For some of the new positions there are things that are tied to those new positions that are supposed to correlate in reductions in overall expenditures. Like the additional Prison guards. This year there was an overage in overtime that exceeded their budgeted amount by \$600,000. The key is to tie those positions for the Prison back to receiving absolutely zero overage in their overtime budget and monitoring those if in fact they don't meet their goals eliminating those six positions the following year to where it is going to actually have a revenue neutral impact on the overall budget. There have been several situations where we are looking at whether or not it is better to spend money on full-time employees and reduce the overtime expenditures or figure out ways to deal with the internal parts of the

organization. If you want a new position how do you plan on paying for it with new revenue that is not coming out of our General Fund budget. There has to be some sort of offset or reduction in expenditures somewhere else for these new positions to be justified. I just want to make sure that it is part of the record.

Mr. Yohe: The Sheriff did present and I haven't had a chance to look at that, he did present for his additions revenue to cover the cost of the positions. That plan has been presented to me. I haven't gotten into the details of it yet. On the surface it looks like it will work.

Mr. Haste: He is coming back and the Courts are coming back before we put it on the table. Carolyn still has to come back...

Mr. Yohe: I have not heard anything for the Work Release proposal. The other areas that we spoke about at the Public Hearings look good.

Mr. Hartwick: We need quarterly monitoring. This Board needs to know whether they are meeting the projections in reducing expenditures. This is going to be critical and important on whether or not we maintain positions. We need to be on top of that. Maybe from a quarterly perspective if you are seeing that those numbers aren't working out, based upon the projections, we need to make early intervention action and address it from a department head and oversight perspective and then if in fact it's not working out to within a certain time period that we discussed within the budget pictures we need to eliminate those positions.

Mr. Yohe: We have some monitoring to do and I will be on top of that next year for sure.

PERSONNEL

Ms. Lengle: Are there any questions on the Salary Board items and the Personnel Packet? (There was none.)

I would like to point out Change #16, the effective date is changing to November 5th instead of November 19th. Since that is before next week's meeting I am requesting a vote today on that transaction.

Mr. Hartwick: I also have some questions related to #12. In my oversight it was something that I had not seen prior to today. Why don't we put that on hold.

It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick that the Board approve Item #16 under the Personnel Changes Listing of the Personnel Packet; motion carried.

Mr. Haste: Kay, you and Mike are going to get on top of the new positions for next year, the listing?

Ms. Lengle: Yes.

Mr. Hartwick: There is also one here and I don't know where we go with this, but it is related to the Prison that we are unable to identify the elimination or the current status of one position at the Prison. If we could make sure that we continue the process of clarifying any temporary, full-time, part-time positions keeping the records in exact accord with what is happening in Budget & Finance. That one position, I don't know if you spoke to Kay about yet, but it is one that I would like to have addressed before we do the final budget.

Ms. Lengle: Okay.

PURCHASE ORDERS

Mr. Baratucci: There is nothing out of the ordinary in the Packet this week. They can all be moved to next week for approval. There are a couple minor budget items that will be fixed. If you have any questions, I'll be happy to answer them. (There was none.)

TRAINING PACKET

Mr. Saylor: There is nothing that needs to be acted on.

ITEMS FOR DISCUSSION

Mr. Haste: We have Items for Discussion. I see Item B we need to take a vote on dealing with the Tax Collector in Conewago Township.

- A. Appointment of Gayla M. Bush to the Dauphin County Children and Youth Advisory Board. Term expires November 7, 2010.
- B. Conewago Township Tax Collector: **(***A VOTE IS REQUESTED 10/31/07***)**
 - 1. Appointment of Loren Bowen as Tax Collector for Conewago Township.
 - 2. Agreement to employ a person to execute the warrants and exercise the powers of a deceased elected Township Tax Collector.

It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco that the Board approve Item B (Conewago Township Tax Collector) listed above under Items for Discussion; motion carried.

SOLICITOR'S REPORT – WILLIAM TULLY, ESQ.

Mr. Tully: All matters on the Report will be ready for approval next week. I'm happy to answer any questions you might have in the interim.

Mr. Hartwick: We discussed last week the potential of moving up an audit related to the County's perspective on the Lower Paxton Township Tax Collector. Have we made the arrangements to do that? Are we going to be moving forward with trying to change the timing on that? Where are we with that process?

Mr. Tully: I'm waiting to hear. If Gary has it lined up I'm more than happy to review an Addendum. I think all we have to do is basically modify the timeframe for the audit.

Mr. Hartwick: I just don't want that to slip through the cracks.

CHIEF CLERK'S REPORT – CHAD SAYLOR

Mr. Saylor: Commissioners, you have asked me to keep you informed about the latest with the Incinerator so it is part of our record. I would note again this week that we have not received anything from the Authority or the City regarding the Incinerator and the anticipated date of receiving something tomorrow appears to be pushed back to the following week. I will continue to keep you apprised as soon as I hear anything or receive any information.

COMMISSIONERS' COMMENTS

Mr. DiFrancesco: Next Tuesday is the Election. We instituted the new election system. I believe it was the Primary of this year that we ran with the new equipment. At that time with the changes to technology in that equipment we could do some things in terms of Election night in announcing results and so forth. We made a rule last time that nobody from the public was to be in the Election Bureau receiving results. Traditionally, the practice had been that a lot of candidates would show up and actually be back in the Election Bureau. It is very complicated, because the runners are coming in with the results and people are getting in the way and it made it very complicated so we set up the Second Floor Conference Room for election returns. We had that set up so that the results are projected up on a screen. That is the public viewing area for results. Again, nobody should be going into the Election Bureau and granted the challenge is that as those runners are coming in and out oftentimes the doors are left open so people just feel comfortable walking back in there, but no one is to be back in there other than those associated with the Election itself. Anybody wanting to view the results can join others in the Second Floor Conference Room. Again, I want to state that publicly so there are no surprises when they show up that night and there are messages posted that nobody is allowed in other than authorized personnel. I wanted to share that with the Board.

Mr. Haste: I know in the past City Council seemed to be the ones that got in there most. Again, the area on the Second Floor is there. It helps to speed things up for the media, because when people are sitting at the computers trying to go back and look at results what it is doing is it is delaying those who are trying to input the results so that we can get it out to the public. Again, I think we talked to Steve and we are going to reinforce

the fact that is for inputting. Those that want to view things the Second Floor will be available.

Mr. DiFrancesco: Now, we are upgraded to the point where it is almost instantaneous. Most of the results are posted very quickly on the internet with the new system. So, you can actually sit anywhere and access it via a computer and get the results for any of the races as they come in. The new technology gives us the ability to better broadcast those results and we want to make absolutely certain that no one is tripping over our employees as they are trying to get their job done. Again, the numbers are usually half a dozen people trying to get in there in a small office to get results. The Second Floor Conference room is large and can accommodate a number of people. There is a big screen that will be projecting the results. That is where the results should be viewed on Election night.

PUBLIC PARTICIPATION

Mr. Haste: We are again at the point in time for public participation. Is there anyone in the audience that would like to address the Board? (There was none.)

ADJOURNMENT

There being no further business, it was moved by Mr. Hartwick and seconded by Mr. DiFrancesco that the Board adjourn.

Respectfully submitted,

Chad Saylor, Chief Clerk

Transcribed by: Richie-Ann Martz